

On Table
June 10, 2024 - Regular Council
Item 4 - Question & Answer Period

From: [G. Gumley](#)
To: [Clerk's Office](#)
Subject: Q and A June 10
Date: Monday, June 10, 2024 8:04:31 AM
Attachments: [Q and A June 10 2024.docx](#)

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Good Morning,

Please find attached a question for the Q/A session this afternoon.

G. Gumley,
Resident of White Rock.

Question and Answer Period - June 10, 2024

Approval of the Five-Year Financial Plan for 2024 through 2028

Projected Property Tax increases

Why is City Council approving a 5-year financial plan that includes a 10 million dollar increase in Property taxes over the next 5 years. This Council has overseen 43 million dollars in operating surpluses accumulate over the first two years of its mandate. Isn't it time to re-instate the Finance and Audit committee to analyze why property taxes need to increase an average of 2 million dollars per year?

In addition, why does the city have over 180 million dollars in Cash and Cash Equivalents in the bank today (up from 60 million 10 years ago)? Why does the city have 47 million dollars of Capital Asset Carry-Over projects from 2023?

If City Staff can't spend the money City Council authorizes for collection each year, why approve an annual tax increase without understanding the reasons for the surpluses?

From: [Guillermo Ferrero](#)
To: [G Gumley](#)
Cc: [Clerk's Office](#); [Mayor and Council](#); [Candice Gartry](#)
Subject: RE: Q and A June 10
Date: Monday, June 10, 2024 12:39:31 PM
Attachments: [Q and A June 10 2024.docx](#)

G [REDACTED],

Thank you for your questions regarding the City Council's approval of the Five-Year Financial Plan for 2024 through 2028.

Firstly, tonight's agenda includes a proposed amendment to the city's financial plan. The original plan was approved on March 11, 2024, and the amendment under consideration maintains property tax revenue estimates very similar to those in the original plan.

Regarding your specific questions:

- **Why is City Council approving a 5-year financial plan that includes a \$10 million increase in property taxes over the next five years, despite having \$43 million in operating surpluses over the first two years of its mandate? Shouldn't we reinstate the Finance and Audit Committee to analyze the need for these increases?**

Over the next five years, property taxes are expected to increase by \$8 million, not \$10 million as mentioned. These annual increases are necessary to cover rising costs, including high inflation, general cost of living increases, and mandated salary increases for unionized staff as per Collective Agreements. Additionally, specific costs such as fuel and utilities often rise faster than the general cost of living.

The operating surplus you referenced pertains to the city's consolidated surplus, which includes utility funds and is calculated before any budgeted transfers to reserve funds. For more detailed information, I recommend reviewing the CFO Letters of Transmittal for 2022 and 2023, which accompanied the audited financial statements for those years. According to the 2023 letter, the General Fund surplus, before budgeted transfers to reserves, was \$16.9 million. After these transfers, the surplus was \$8.4 million. Similarly, for 2022, the General Fund surplus was \$12.8 million before transfers, and \$3.4 million after transfers. Therefore, over the past two years, the General Fund surplus totals \$11.8 million, not \$43 million as stated.

- **Why does the city have over \$180 million in Cash and Cash Equivalents today, up from \$60 million ten years ago?**

The audited financial statements as of December 31, 2023, show a total of \$138 million in Cash and Cash Equivalents, not \$180 million. This total includes reserve funds and the taxpayer-funded portion of asset improvement projects from 2023 that are continuing into 2024.

- **Why does the city have \$47 million of Capital Asset Carry-Over projects from**

2023?

In the May 27, 2024, report from the Director of Financial Services, titled "2023 Asset Improvement Projects Carried Over Into 2024," it was noted that these capital asset projects are ongoing or have yet to commence, depending on the specific project. If you would like more details on a particular project, please provide the project name, and we will supply the necessary information.

- **If City Staff can't spend the money City Council authorizes for collection each year, why approve an annual tax increase without understanding the reasons for the surpluses?**

I encourage you to review the 2023 CFO Letter of Transmittal, which includes a detailed table explaining the reasons for the 2023 General Fund operating surplus of \$8.4 million, after budgeted transfers to reserves. This document also addresses the surpluses in the utility funds.

Best,

G.

GUILLERMO FERRERO

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